

PAYING-UP WHEN THEY'RE DOWN IN DUCKTOWN

*Tennessee Copper Company Management, Workers
Compensation, and Fatality Reports, 1920s-1950s*

--New Research from the East Tennessee Copper Basin:
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Why did we do this study?

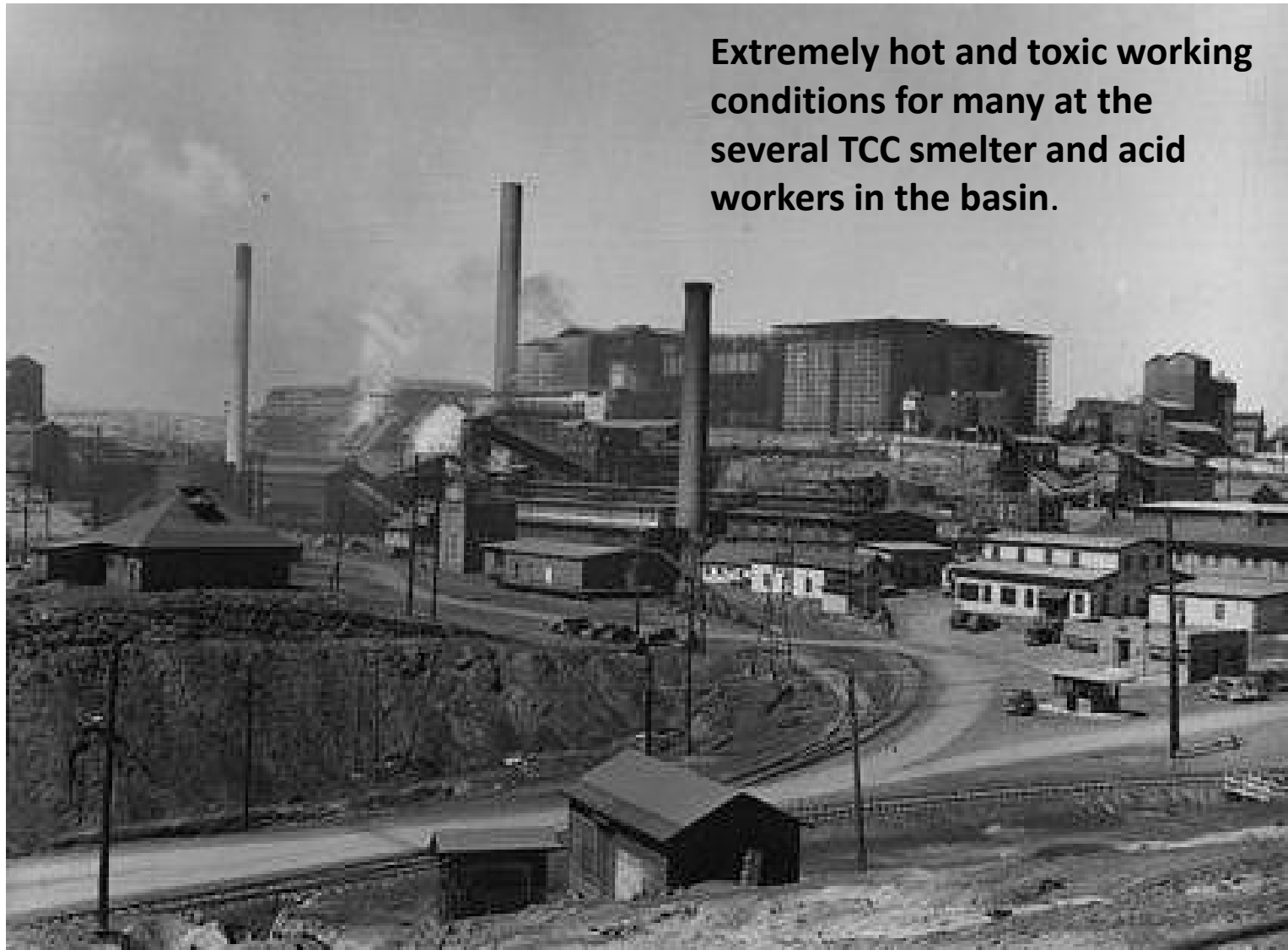
- Recent availability of the legal records of the Tenn. Copper Company (Franz, McConnell & Seymour, Attys).
- Previous understanding of TCC managerial philosophy (progressive rationalism).
- **Extensive regional union activity and whether organized labor sought changes in worker safety/job site issues?**
- **Current trends in an exploitive managerial philosophy dominant in extraction industry that can leave people feeling powerless.**
- **ASA mission to apply history lessons to modern circumstance. Historical reminders are necessary for students—industrial detachment and abandonment of the social contract was not typical of all industrialists. There were some who, while not saints, were “statesmen of industry” who demonstrated interest in worker welfare/community goodwill.**

Research Methodology

- Primary source driven.
- Focus: Industrial production in East Tenn. Copper Basin.
- Archive location: Ducktown Basin Museum, Ducktown, TN.
- Review of Tennessee Copper Company data contained within the legal records of the firm's lawyers: **Franz, McConnell & Seymour, Knoxville, TN.**
- Files contain information on all areas of the company's business: industrial production and development, industrial and labor relations, police authority financial support, maintenance of hospital services, municipal planning and philanthropy, associations with federal agencies, defense work, cooperation with major federal agencies/departments.

TCC, Copperhill smelter and acid works

[picture 1930s]



Extremely hot and toxic working conditions for many at the several TCC smelter and acid workers in the basin.

Copper Basin, TCC mine, Ducktown, TN



TCC employees on the job



Mine depth: to 3,000 ft X 6 miles
1300-1500 employees 1920s-1960

TCC Production 1939

- Sulphuric Acid: 400-450,000 tons/yr (shipped to TN, GA, AL, OH, SC, NC, IN, MS, KY, FL)
- Iron Sinter: 200,000 tons/yr (AL, TN, OH)
- Zinc Concentrate: 3,500 tons/yr (PA)
- Copper Sulphate & Copper Fungicides: 6,000 tons/yr (“practically all states in the union”)
- Blister Copper: 12 million lbs/yr (NY)

*--Tennessee Copper Company, Copperhill Tennessee
production statistics submitted to Internal Revenue*

Injuries potential

- **Lacerations**
- **Broken bones**
- **amputation**
- **Inhalation**
- **Electrocution**
- **Explosion**
- **Crushing**
- **blindness**

General Conclusions

- TCC met workman's compensation and fatal injuries law.
- To enhance production and employee development, TCC operated facilities resulting in few workman's compensation claims or fatal accidents relative to its impressive production levels and work force size, remote location, and general danger of work required: deep extraction, smelting (ferrous and non-ferrous ores), toxic organic chemicals production.
- Owner/manager demonstrated a rational and generally humane approach to industrial and labor relations which distinguished TCC production, efforts nationally recognized within industry and by the US government.
- Safety protocols begun in the 1920s included on site medical facilities, rationalized work regimens, established worker complaint protocols, promoted worker loyalty, and kept production levels high.
- The embrace of cutting edge rationalized labor relations protocols **reflected TCC's impressive development and production technologies** (TCC labs nationally recognized for R & D and patent production).
- No organized labor complaint of safety regimens 1920s -50s; strikes were not appear to be over safety issues or workman's compensation settlement.
- TCC owners and officials contributed significant philanthropy.

Year	Profit (Loss)	Factors
1916		Lewisohns regain TCC. Acid prod record/ 262K tons; WWI munitions
1917	68,978.00	Acid production continues upward
1918	477,512.00 (\$37.2 mil 2013)	Record acid prod/ 283K tons 9.8 mil / lbs copper.
1920	(285,000)	Recession. TCC establ. Southern Agriculture Chemical (ATL)-fertilizer/pesti.
1921	147,000	TCC/Standard Oil NJ contract - acid to refine petroleum.
1923	777,144.00	Copper wire boom ending/chemical boom on TCC expands prod. buys chem. companies
1928	1,267,226	Twice 1927 net income
1929	1,000,000.00 (\$54 mil 2013)	Copper at 18c / lb
1930	5000.00	Copper at 6 c / lb Smoot-Hawley
1932	(759,000.00) \$47.5 mil 2013	TCC expands chemicals array; TCC Pres warns of business annihilation; calls for high tariff
1933	(97,000)	NRA cartel established

Year	Profit (loss)	Factors
1935	\$186,104 (\$9.6 million 2013)	Lewisohn praises NRA Copper Code despite court ruling
1936	\$353,298 (\$17.9 million 2013)	TCC gives 5c/hour raise to all employees (just under \$10 purchasing power 2013)
1937	\$934,678 (\$41.4 million 2013)	Includes absorbed DCI production numbers.
1938	\$392,981	Adolph Lewisohn dies/Sam A. Lewisohn owner
1939	\$349,000	CIO strike at TCC (fall to Spring 1940) TCC fires strikers and AFL wins recognition. Eventually NLRB affirms AFL victory.
1940-44	Average \$985,000/yr (\$41 million 2013)	TCC benefits from war production and GO-CO program; ETOW established at Copperhill 1943 Mine Explosion—14 men killed.
1950s	Average \$6 million/yr (\$81 million 2013)	1951 October strike-facilities shut Profits rise from 3.5 mil/yr to \$9.7 mil/yr
1959	\$9.7 million (\$111 million 2013)	TCC was producing several dozen metals/ chemical products at Copper Basin facilities.
1960-62	Average \$11 million/yr (\$109 million 2013)	TCC announces replacement of 1907 acid plant 1963 Cities Service purchases TCC

Managerial Philosophy: do not work to destroy unions—work with collective organizers but be better organizers, more sensitive of your employees needs.

- Progressive and rational; cultivated by Owner Adolph Lewisohn's, Princeton educated son (Political Science) Sam A. Lewisohn, renowned for his industrial relations perspectives outlined in:
 - 1922: **"Industrial Leadership and the Engineer"**
 - 1923: "Humanity in Labor Urged by Lewisohn" NY Times (organizing manpower just as important as overseeing finances and industrial production).
 - 1925: **"Can Business Prevent Unemployment"**—corporate community responsibility.
 - 1929: "Relies on Engineer in Labor Dealing"—"the popular idea that all there is to the labor problem is the worker's desire for wages is entirely wrong." Calls for improvements in administering personnel.
 - 1930: "Blames Executives for Unemployment—tells metal trades ... it is sales and production problem." NY Times.
 - 1934: FDR selects Lewisohn for **Committee on Economic Security** (Social Security).
 - 1944: **"What the Employer Can Do: An Employer Charts What He Believes will Lead to Peace Between Industry and Labor,"** NY Times.
 - 1945: **"Human Leadership in Industry: The Challenge of Tomorrow"**

TCC's Service Department

- Supported by the management philosophy of the son of TCC's owner (Sam A. Lewisohn), GM, J.N. Houser established a Service Department that "looks after the rental and maintenance of houses, injuries, safety work, and in general takes care of all the many little things affecting the men in their work and life, and the policy of this department is to represent the men rather than the company."

--James Norman Houser, "Industrial Relations at Tenn. Copper Company," *Mining and Metallurgy [Magazine]*, December, 1922. Houser gave several addresses on this subject to the Society of Mining and Metallurgical Engineers.

Sentinels of Safety Program

- Embraced by James Norman Houser, TCC GM, early 1920s.
- A de facto Employee Representation Plan (company union)
- Early 1920s –In association with the *Explosives Engineer* Magazine's (Hercules Powder Co.) Sentinels of Safety Award program coordinated through TCC's Service Department. Crews competed for the award, winners publicized through media.
- RESULTS: Very few injury suits relative to crew size.



TCC workman's compensation and fatal injuries record

- Records sketchy prior to 1920s installation of J.N. Houser's safety regimen.
- **At TCC: 27 cases of injury or death:** November 1926-1944. In such cases widow and dependents paid according to requirement contained in Tennessee's comprehensive workers' compensation act (1919):
 - Company liable for medical hospital expenses, not exceeding maximum \$800 (\$34,900 2013) and funeral expenses \$250 (\$10,900 2013)
 - A widow entitled to 35% of deceased employee's average weekly salary **(\$10/wk minimum; \$25/maximum).**
 - A widow w/one dependent got 45% of same maximum and minimum.
 - A widow with two or more dependents received 65% with same restrictions
 - Compensation payable for a maximum of 400 weeks (7.7 years) or until total of \$7,500 paid (\$486,000 2013--\$63,000/year 2013).
 - **Upon remarriage all compensation stopped—but children under 18 yrs the draw for them continued at 60% of deceased's average weekly wage.**
- **TCC cases reflect 1919 law amended to adjust for inflation.**

TCC Record: workman's compensation fatal injury (examples)

Injury date	Injured	Settlement date	Amount
11/15/13	Frank P. Bryant	12/1/58	\$32/wk (7500.00) (\$374/wk 2013)
11/27/26	JG Smith	8/22/34	4764.00
12/10/31	JE McFarland	1/4/32	4616.00 (\$88.76/wk \$4,830/wk 2013).
12/10/31	WF Hurst	12/20/32	5000.00 (\$104/wk \$5,600 2013)
5/18/35	GW Nelson	1/19/43	3195.00 (\$8.77/wk \$452/wk 2013)
5/14/37	JO Masingale	2/14/45	4216.00
5/5/39	TS Green	9/2/47	2,960 (\$7.40/wk \$323/wk 2013)
1/9/41	Brady Watts	5/24/48	5000.00 (\$15/wk (\$566/wk 2013)

TCC Record: workman's compensation and fatal injury (examples)

Injury date	Injured	Settlement date	Amount
1/5/43 (explosion)	LG Spurling	1/17/49	5000.00 (\$142K '13)
	WA Brown	12/29/48	5000.00
	Tom Fritts	7/19/49	5000.00
	Simon Dunn	6/28/48	5000.00
	RB Hancock	10/19/50	4823.76
	EB Helton	9/12/50	4429.46
	Elmer Piess	5/3/48	5000.00
	Hm Payne	5/5/48	5000.00
	WD Deal	4/29/48	5000.00
	WW Patterson	12/8/48	5000.00
	Ernest Hancock	4/4/48	5000.00
	JO Fortner	Court Judgement	4790.45
	Earl Dilbeck	Unknown	5000.00
	Weldon Byrd	11/2/49	5000.00

TCC Record: workman's compensation and fatal injury (examples)
Other WWII cases

Injury date	Injured	Settlement date	Amount
5/7/43	Bill Harton	3/1/46	1625.76
6/21/43	Clay Clayton	3/23/49	5000.00
8/30/43	Ulyss Geddis	9/23/43	33.43/wk
9/25/43	JM Caig	6/22/49	5000.00
8/25/44	HD Miller	12/20/49	5000.00

**TCC Record: workman's compensation and fatal injury (examples)
1950s and 1960s**

Injury date	Injured	Settlement date	Amount
12/15/52	Ernest Allen	9/15/58	7500.00
3/17/58	O Picklesimer	3/21/63	11000.00
11/15/58 (1913)	Frank P Bryant	6/22/65	11000.00
1/7/59	Glenn H. Nelson	8/12/65	11000.00
4/4/63	PR Hughes	5/12/70	12500.00
4/4/63	Lynn Pate	5/12/70	12500.00
12/13/65	Norman Pitman	11/2/70	13840.00

Later Workman's Compensation Cases

- 1942-1969 there were 25 cases settlements
- 4 were cancelled (“dismissed”)
- 16 cases in the 1940s (mostly ‘46-’47)
- 7 cases in the 1950s
- 3 cases in the 1960s
- Settlement amounts ranged from \$557 (\$12,000 2014) to \$4278 (\$81,800.00 2014)
- Average settlement: \$2207 (\$39,800 2014)

Compensation given to widows/next friends for estate.

- Between 1944-1969 TCC awarded compensation to 53 widows and in some cases “next friends” after an employee died. This must have been a kind of pension plan for families.
- Notably the Company gave awards to widows of some men who had lost their jobs in the 1939 strike (7 cases).
- Awards ranged from as little as \$179.00 to as much as \$7,050.00.
- The calculus for these awards is unclear from the records.

TCC Ownership:

Philanthropy and Public Service

- Lewisohn philanthropy was already renowned by the early 1900s. Institutions benefitting from their gifts included public and private colleges and universities (Johns Hopkins, City College of New York, Columbia University), museums (Museum of Modern Art, Brooklyn Museum, Wilmer), prison reform and rehabilitation charities, Jewish benevolent societies, and Lighthouses for the Blind.
- Notable gifts included:
 - Lewisohn Stadium, City College, New York (its construction and maintenance)—and subsidized public classical and operatic performances .
 - School of Mines established, Columbia University (\$16 million 2013).
 - Founding monies for the Museum of Modern Art and its collection
 - 1500 rare German books, City College

Lewisohn Philanthropy



Lewisohn Stadium, CCNY,
1915-1973

Lewisohn Hall, Columbia, NY



TCC Infrastructure Control

- **Police—all regional sheriffs and deputies** (through 1940s); storage of weapons on TCC property.
- **Medical (1920s-1950s doctor/hospital) financial support**
- **Labor relations—financial support of AFL over CIO** during infamous 1939 CIO walkout. AFL remained a more management-friendly union.

TCC Infrastructure:

Sheriffs on the payroll 1939-1960

- Each year TCC contributed to the costs of local law enforcement by subsidizing the salaries of county sheriffs and their deputies in the three closest counties surrounding TCC facilities at Isabella, Ducktown, and Copperhill TN/McCaysville, GA.
- A typical “contribution to law enforcement” was \$2,100 (1942) for Polk County alone.

Doctors and Hospitals receiving compensation from TC/TCC (late 1948-50) Total 1948-51 money to doctors from TCC law firm: \$77,023 (\$1.39 million 2013)

- Dr. Thomas J. Hicks, Copper Basin (his 1948 compensation was \$24,666; or \$488,000 in 2013) Hicks saw hundreds of workers over the years, 19 pages in the records.
- Drs. Newell & Newell, Newell Hospital, Chattanooga, TN
- Dr. J March Freere
- Burdine Hospital, Blue Ridge, GA
- Dr. H.P. Hyde, Copperhill, TN
- Dr. H.H. McCampbell
- Drs. Landham and & Klugh
- Dr. Ph Dietrick, Chattanooga. TN
- Dr. S.S. Marchbanks, Chattanooga, TN
- Dr. Franklin B. Bogart, Chattanooga, TN
- Baroness Erlanger Hospital, Chattanooga, TN

NOTE: Organized labor had a solid foot in Chattanooga and a perception was doctors there were not on the company payroll. Perhaps this perception was incorrect.

Doctors whose patients did not file workman's compensation claims

- Thomas J. Hicks (1200+ patients)
- J.M. Burdine (10)
- W.E. Burdine (75)
- H.P Hyde (1)

Conclusions about the TCC System

- **Volatile copper market led TCC to seek efficient working conditions** which included worker safety concerns.
- **Payments amounts varied widely owing to worker circumstance/wages/salary, etc.** (legal maximums not paid till 1958).
- **Records prove TCC financed sheriff and deputy salaries** (listed as “augmented police protection”) for all three counties surrounding production facilities intimidating workforce (TN, GA, NC).
- **TCC had over half a dozen doctors/hospital on the payroll and kept meticulous records of every worker visit; system benefitted doctors who kept workers from suing for workman’s compensation** and ability of worker to return to work. **THERE WERE FEW CASES OF WORKMAN’S COMPENSATION.**
- Only one case of TCC doctors diagnosing silicosis—diagnosis typically labeled: **bronchitis** (workers behavior easy to criticize).
- **TCC owners and management founded local banks.**
- TCC influence in local media fought hard (and won) efforts to rebuild and maintain positive public goodwill (owing to legal actions from smoke suites—organized GA and NC farmers seeking pollution damage awards)
- An entire TCC department devoted to inspection/payment of damages.
- Extensive owner philanthropy concentrated outside of the Copper Basin.

Bibliography-1

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 - Category 18: Labor Relations 1939-49
 - Category 30: 6 Boxes: Workman’s Compensation and Fatal Injury Files
 - Category 32: 6 Boxes: Accident Reports
 - Category 33: Occupational Disease Claims
 - Category 34: Litigation, Personal Injury
 - Category 37: Labor, General: 1920-24; 1939-42
 - “Employees [of Tennessee Copper Company] as of April 1940”
 - “Mr. RM McConnell to Frank Rude, Tennessee Corporation, Federal Information, Returns, Forms Nos 1096 & 1099...” [for years] 1948, 1949, 1950, 1951, 1953, 1954, 1958, 1960, 1961, 1962].
 - “Patients of Dr. H.P Hyde who have not made claims against the Company”
 - “Patients of Dr. J.M. Burdine who have not made claims against the Company”
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